App F IX 4

195 52 53 (Cm) File No 4-52

Serial Nos 20, 2

Previous References
C m Dep no 490/50
L B 20 52-14

Later References

P-167 E

GENERAL AND REVENUE SECRETARIAT

Serial Nos 2

Part B for April 53

SUBJECT

Entertainment of an Internal Auditor for conducting Internal check on the accounts of the Davangere city Mcty

WD 01425—GPB—2,000—1 9 1952

L 176-77/B 6-4-53

The MC Comm^r Davangere city (P&B)

C S A D B' Lup

DC 24/3/53

Establishment of one Clerical Reduction in Dog Cess Section Conducting clerical checks on the accounts

[App F III

General and Revenue Secretariat

File No P/29/ml of 1952 53

WD 014428—GPB—40 000—13-7-51

Serial No

Flag "X"

Read

The Municipal Council Dog Cess No 58 C 70/52-53 dt 7 11 52 forwards Resolution dated 29.10.52 of the Council on the above Subject

C M Dep papers C 90/50-51 on the Subject & part cp

2) On the proposals of the Davaspers Cess mtd to post one Reduction for the cp pre-auditing work connected with the accounts of the Municipality Bent with the Dewan's Letter No 58 C 28/50-51 dated 31.5.50, the Council was informed of the Govt Letter dated 23.6.51 that there may be no pre-audit of payments as the Davaspers Cess Municipality Cent shd work be open to the Municipal Council to appoint the necessary trained accounts Staff to conduct clerical checks as and when payments are made

3) In pursuance of the above instructions of Govt, the Council has now sent up proposals for the establishment of one Clerical Reduction Cent for the State Accounts Dept on grade Rs 60-5-90.8-130/EB 10-180 plus a daily allowance

NOTE—Contn Sheet

Serial No

at 10/- p.m. which has the approval of the municipal Council in its Resolution dated 29.10.52.

4) It can be seen from the Chairman's letter that the original proposal was to create the Redactor against the post of a 1st Division Clerk sanctioned in G.O. No. L 11025-7/Inl 105-48-101 dated 25.3.49. But subsequently this was modified proposal has been modified at the suggestion of the Controller to create an Redactor on Loan in a Higher higher grade of Rs 60-5-90-6-130/EB-10-180 plus D.A. as prevails in the Accounts Dept. It therefore follows that in this sanctioning of the post of an external Redactor, the post of the 1st Division clerk should be abolished. This position is not clear in the absence of a proposition statement which should accompany all such proposals nor is it explained in the Chairman's letter.

5) The affairs of the Panchayats and municipalities is now very unsatisfactory. The Director of Typhoid Audit and Anti-Corruption measures who recently inspected the office has reported many irregularities on which action is being taken separately. In this connection, the Controller, S.A.O

the letter is not readily available (Circle Asst. enclosed)

6129 Fin.

Establishment of one additional Auditor for conducting additional check on accounts of the Davangere city Municipality

Has been Requested to take up a thorough audit of the accounts of the Municipality and also to enquire and Report to Govt on the desirability of introducing the System of pre-audit in this municipality after all the details The Auditor for additional Check now proposed may form the nucleus for the Separate Audit Staff that may be posted of the introduction of the System of pre-audit is decided upon It is for consideration whether the creation of this post may await a decision on the question of introducing pre-audit or may be Sanctioned now to serve some part of a Fuller check immediately pending decision on the other issue On this point the Remarks of the Comptroller, S.A.D may be helpful

a o 202/CSA

6.) Seek for orders.

Clas 2/12/52

SR 2/12/52

7) Consult Controller unofficially

2/12

D 4/12/52

C.o no. 294

8) Forwarded unofficially to the Accountant, State Accounts Department for favour of Remarks

B.o

for Secretary to Government

Local Self Govt. Dept.

Clas 2/12/52

SR

4

U O No 352/CSA Date 12th Jan 53

Re Internal Audit of the transactions of Davangere City Municipality

9) The question of introducing a suitable system of internal audit in the Davangere Municipality has been examined Having regard to the increase in the volume of transactions of the Municipality in the recent years which works up to a total of Rs 47 lakhs (both receipts and payments) per year, and the present conditions of its accounts, it is necessary to make immediate arrangements for an effective internal check of the accounts. As agreed to by the Commissioner, City Municipal Council, Davangere, a first grade clerk deputed by this office is to be appointed as an internal auditor of the Municipality This appointment will be subject to the payment of usual leave and pensionary contributions as in the case of the Internal Auditor sanctioned to the K G F Sanitary Board in Government Order No.L B 5864-66/ L.B 20-52-14 dated 7th October 1952 and subject also to the following conditions -

Raja 3/2/53

1 The internal auditor will function as a primary auditor but this will not dispense with the periodical statutory audit conducted by the State Accounts Department

2 The administrative control over the internal auditor will be vested with the State Accounts Department, but the Municipal Commissioner may sanction casual leave admissible under the rules, the grant of other kinds of leave, increments and allied matters being referred to the State Accounts Department.

3 In order that the services of the internal auditor may be utilised to the maximum advantage, he should not be tagged on with the routine accounting and administrative duties He should function directly under the orders of the Municipal Commissioner, Davangere and be independent of the Office Manager The duties of the internal auditor will be the following

i. Scrutiny of monthly accounts received from all sections, their consolidation and transmission to the State Accounts Department

ii Scrutiny of D C B statements of all items of revenue at the end of each month,

iii. Audit of all items of receipts at the end of every month with reference to receipt books, Khirdis, remittance registers, Demand registers and Issuing objection statements to the sectional officers for replying to them or for effecting recoveries,

iv Scrutiny of all bills and vouchers before payment He will record in writing his observations and submit them to the Commissioner for orders The Commissioner may over rule the objections raised by the Internal Auditor, but in such cases he may record them in a register to be maintained for the purpose which may be shown to the inspecting officer of this department during post audit of accounts

v Scrutiny of Budget estimates before submission to Government;

vi Scrutiny of the replies furnished to Audit reports and inspection reports,

vii Rendering advice in financial and accounts procedural matters, if his opinion is called for

10) On the above conditions the post of an Internal Auditor for the Davangere City Municipality may be sanctioned on a scale of Rs 60-5-90-8-130/E B 10-180 with a deputation allowance of 10% on salary

Establishment of an internal Auditor for conducting
internal checks on accounts and Drawing & Disbursing

should

11) The expenditure involved on this account being met out of the funds of the City Municipality, Davangere

(MOHAMED RAHMATHULLA)
Controller
STATE ACCOUNTS DEPARTMENT

To

The Secretary to Government,
Local Self Government Department,
BANGALORE

Ks/3

12) Collection L/B 20-52 (Sl. 138 & 44) Referred to Secn para 9 above & put up.

13) As the Controller supports the proposal, the may perhaps be approved with Financial Concurrence subject to the conditions suggested by the Controller

24/2/53 (a) Suggestions in paras 9 to 11 may be agd as the appointment of an internal auditor is very necessary

27/2

Copy

14) Has the abo

Minutes
Thro
JS Secy

15) Agd
4 3 53

16)

17)

3396
23 FEB 1953
FINANCIAL SECRETARY
GOVT
4 MAR 1953
U O No 11288 Fl
OFFICE OF THE MINISTER FOR PUBLIC HEALTH & LOCAL SELF GOVERNMENT
6 MAR 1953
7 MAR 1953
3605
5 MAR 1953

6129
rec

Entertaining an internal Auditor for Conduct internal check on the Accounts of Davangere City Mly.

18) Dft G.O. & Postage for approval.

Done
18/3

Clr 11/3/53

SMV 11/3/53

Financial Branch for Communications & G.O

SMV 6/4

Recommn 6/

7/4
KM 7/4

Coomr

7/4/53

Issued 8/4

To the Ml Comm Bangalore Copy of C S A-b

B/14/4

L1)6-))/ell 4-52-21 dated 6-4-53

SMV

Sanctions

Regn 17/11/52 Regn 21/11/52

DAVANGERE CITY MUNICIPALITY

No H C 70/52-53

Encl 2

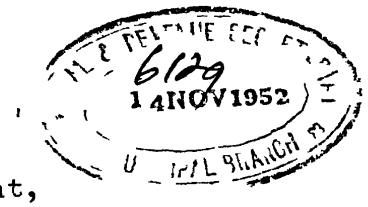
From

Municipal Offices

DAVANGERE

Date 7th November 1952

The Municipal Commissioner,
City Municipality,
Davangere



To

The Secretary to Government,
Local Self Government Department,
Bangalore-1

Sir,

SUBJECT Entertaining an Internal Auditor in grade Rs 60-5-90-8-130/E B 10-180/- for conducting Internal Check on the Accounts of Davangere City Municipality etc ,

---

Adverting to your letter No L 12058/C M 4-50-39 dated 23rd February 1951 stating that it is open to the Davangere City Municipal Council to appoint the necessary trained Accounts Staff to conduct Internal Checks as and when payments are made, after obtaining specific sanction of Government therefor etc, I write to state as follows

The necessity of having an internal check of the accounts having been urgent and keenly felt, the Controller of State Accounts Department, Bangalore had been addressed to post an Internal Auditor to this Municipality against the post of an Accountant on a Scale pay of Rs 60-5-90 F B 6-150/- that had been sanctioned by Government in their order No L 11025-7/M1 105-48-101 dated 25th March 1949, while sanctioning the General Revision of the Scales of pay of the Establishment of this Municipality

Having regard to the increase in the volume of transactions of the Municipality in the recent years, and as opined by the Assistant Comptroller, Local Audit Department, Shimoga Circle, the Controller of State Accounts Department, Bangalore replied in his letter No 2771/C S A dated 10th September 1952 (vide copy of letter enclosed for favour of reference) stating that

p t o

that a First Grade Clerk in grade Rs 60-5-90-8-130 E B 10-180 with a duty allowance of Rxx 10% of his pay lent by the State Accounts Department might be appointed as an Internal Auditor of this City Municipality and that he (the Auditor should perform the duties as fully indicated in the body of controller's letter referred to above, and that sanction of Government might be obtained to revise the existing scale pay of the Accountant From Rs 60-5-90 E B 6-150 as sanctioned in Government order dated 25th March 1949 etc

This aspect of the question having been placed before the Municipal Council at its meeting held on 29th October 1952, it was resolved unanimously that the proposal of the Controller, for the entertainment of an Internal Auditor on a Scale pay of Rs 60-5-90-8-130 E B 10-180 with duty allowance at 10% be approved and that sanction of Government be obtained therefor

A copy of the resolution is herein enclosed for favour of reference

The extra cost involved by the proposed revised scale during the current year would be met from the anticipated savings under the head A General Administration-1-(a) Head Office-Salary of establishment -in the current year's Budget of the Municipality

In view of the urgency of the matter and at the request of this office, the controller, State Accounts Department has posted an Internal Auditor to this City Municipality in his memo No OO No 264/C S A dated 29th October 1952 pending obtaining sanction of Government for revising the present scale pay of the Accountant on Rs 60-5-90-8-130-10-180 to be identiaal with the scale of pay existing in the Audit Department

In the circumstances stated above, I request you to kindly obtain sanction of Government to entertain a First Grade Internal Auditor and to revise the existing scale pay of the Accountant from Rs 60-5-90-8-130-10-180 with a duty

allowance

DAVANGERE CITY MUNICIPALITY

No. 9 Municipal Offices

Encl **DAVANGERE**

From *Date*_____

allowance of 10% of the pay, as resolved by the Municipal Council

Forwarded

8/11

(I Doddaveerappa)
President,
City Municipal Council,
DAVANGERE

Yours faithfully,

8/11

(M Vazeer Ahmed)
Municipal Commissioner,
Davangere City Municipality

Copy of letter No 2771/CSA dated 10th September, 1952 from the Controller, State Accounts Department, Bangalore, addressed to the Commissioner, Davangere City Municipality, Davangere

---

Re Internal Audit of the transactions of Davangere City Municipality

---

I write to invite reference to correspondence ending with this office letter No 640/L F A dated 19-5-52 on the above subject, and to state that the question of introducing a suitable system of internal audit in the Municipality was examined by the Assistant Controller, Shimoga Local Audit Circle, during his recent inspection of the accounts of the Municipality Having regard to the increase in the volume of transactions of the Municipality in the recent years, and the present conditions of its accounts the Assistant Controller agrees with you, that it is necessary to make immediate arrangements for an effective internal check of the accounts He has suggested that a 1st grade clerk lent by the State Accounts Department may be appointed as an internal auditor of the Municipality and that the latter should perform the duties noted below:-

1 Scrutiny of monthly compiled accounts

2 Review of monthly D C B Statements under all items of revenue with reference to original records

3 Continuous check of all items of receipts with reference to Receipt Books, Remittance Register, Khirdis, Cash Book etc

4 Scrutiny of all bills and vouchers before payment.

5 Scrutiny of Budget Estimates before submission to Government

6 Verification of all other original service and other records maintained in the Municipality

The objections noticed during the course of his check of the accounts of receipts and expenditure may be communicated to the Commissioner by means of objection statements in writing If the latter over-rules any objections, the auditor should obey the orders A list of objections over-ruled by the Commissioner and on which the Auditor feels that the ruling of the Commissioner is a result of wrong application of rules or beyond his powers of sanction may be recorded in an objection book which may be submitted to the Ass Controller, Shimoga Local Audit Circle, during his inspection

P t o

In order to secure for the Internal Auditor a measure of independence in the interest of audit work, he should work directly under the Commissioner and be responsible to him and be independent of the other members of the office staff He should also not be entrusted with any administrative duties

All matters relating to promotion, increment, punishment etc in respect of the Internal Auditor other than grant of Casual leave should be referred to the Controller for orders through the Commissioner of the Municipality The check by this internal auditor will not dispense with the statutory audit conducted by this department, but it will ultimately reduce the number of irregularities and also ensure that irregularities are brought to the notice of the Commissioner and the Council as soon as they arise besides this system will assist the Commissioner in improving the financial administration of the Municipality

The Internal Auditor may be paid his pay in the scale of Rs 60-5-90-8-130/E B 10-180 and not 60-5-90-6-150 as stated in your letter, the existing grade in this department plus the usual duty allowance of 10% of his pay The Municipality should also meet his leave allowances and pension charges according to the Rule of proportions For this purpose a post of 1st Grade Clerk carrying the above scale of pay and allowances may be got sanctioned by Government

Sanction of Government may be obtained for these proposals and after the post is sanctioned a suitable auditor will be posted

Sd/-M Rahimathulla
CONTROLLER,
STATE ACCOUNTS DEPARTMENT
BANGALORE

"COPY"

7/11

(M Vazeer Ahamed)
Municipal Commissioner,
Davangere City Municipality

ahmed/-

Proceedings of the Ordinary General meeting of the Davangere City Municipal Council held on 29th October 1952, in the Council Hall of the City Municipal Office

---

Present Sri Iyanahally Doddaveerappa President

x	Subject	x	Resolution	x
14	Consideration of letter No 2771/ C S A 10/11th September 1952 received from the Controller of State Accounts, Bangalore, in the matter of introducing a suitable system of Internal Audit in Davangere City Municipality and to entertain an Internal Auditor of Ist Grade to be lent by the State Accounts Department in grade Rs 60-5-90-8-130 E B 10-180/plus the usual Duty Allowance of 10% of the pay subject to the conditions indicated in the letter of the Controller		Resolved unanimously that the proposal of the Controller for the entertainment of an Internal Auditor ~~xxx~~ on a scale pay of Rs 60-5-90-8-130E B 10-180 with duty allowance be approved and that sanction of Government be obtained therefor	

x x x

" c o p y "

Sd/- I Doddaveerappa
President

Municipal Commissioner,
Davangere City Municipality

6129/Mt
MC-14/52

DAVANGERE CITY MUNICIPALITY

No H C 70/52-53

Encl

From

Municipal Offices
DAVANGERE

Date 2nd March 1953

The Municipal Commissioner,
City Municipality,
Davanagere City

To

The Secretary to Government,
Local Self Government and Town Planning Departments,
BANGALORE

Sir,

Subject - Entertainment of an Internal Auditor in Grade - 60-5-90-8-130/E B -10-130/- for Davanagere City Municipality - for conducting Internal Check on the accounts of the Municipality

---

In inviting kind reference to this office letter No H C 70 of 52-53 dated 7th November 1952 on the above subject seeking orders of Government in the matter of sanctioning the revised grade pay of the Internal Auditor to be posted to this City Municipality by the Controller of State Accounts in Mysore, Bangalore from the present scale of Rs 60-5-90-6-150 to Rs 60-5-90-E B 8-130-E B 10-180 etc I - write to state that orders of Government have not been received so far in this behalf

The posting of an Internal Auditor to this Municipality has been held up for non receipt of sanction of Government

The necessity of having the post of an Auditor has been ex--plained to Government in this office previous letters and the letter dated 7th November 1952 under advertance

I request that early orders of Government for revising the the scale pay of the Internal Auditor may kindly be obtained and

P T O

communicated

Yours faithfully,

K Narasimhaiengar

(K Narasimhaiengar)
MUNICIPAL COMMISSIONER,
DAVANAGERE CITY MUNICIPALITY

Hsk Rao/8

6

Proceedings of the Court Session

Read:

Letter no SC 70/52-53 dated 7.11.52 from the Municipal Council, Dawangere city & the forwarding for Sanction proposals for the establishment of one Clerical Auditor in grade Rs 60-5-90-8-130/EB 10-190 as appears ~~legitimate~~ for clerical check of accounts in the municipal office as approved by the municipal Council in its Resolution dated 29.10.52 and to take on loan therefor an experienced Auditor from the State Accounts Dept paying him an additional Duty allowance of Rs 40/- p.m. & his pay

2) G.O. Note no 3352/CSA dated 12/15th January 1953 from the Controller S.A.D. on the Subject

Order no L 176-77 dtd 4-52-21

The proposal for the sanction

of the clerical Section of the Bassaipur city municipal office in grade 60-5-90 EB 8-130/6-180 EB and to draw on the scales of pay in addition from the State Accounts Department pay as the additional deputation allowance at 10% of his pay as sanctioned

In order that the services of the clerical Section may be rendered to the maximum advantage, he should not be tagged on only the routine accounting and other administrative duties he will function directly under the orders of the Collector and will be independent of the office Manager

The following will be, the duties of the clerical Section

(i) Scrutiny of monthly accounts received from all Sections their consolidation & and transmission to the State Account Dept,

(ii) Scrutiny of D C B Statements of all items of Revenue at the end of each month

(iii) Audit of all items of Receipts at the end of every month with

reference to Receipt Books, Ledgers Reconciliation Registers, Demand Registers and issuing objection Statements to the Sectional officers for replying to them or for effecting recoveries;

(iv) Scrutiny of all bills and Vouchers before payment the civil Record in writing his observations and Statement thereon to the Coroner for orders the Coroner may overrule the objections raised by the Criminal Accounts Cost on such cases he may get Record them in a Register to be maintained for the purpose which may be shown to the Inspecting officer of the state Accounts Dept during post audit of accounts

(v) Scrutiny of Contract Estimates before Submission to Govt

(vi) Scrutiny of the Replies furnished to audit Reports and Inspection Reports

(vii) Rendering advice on financial and accounts procedural matters, if the

from ci 'Calcutta for

The Expeditions circulars in this account will be sent out by Municipal funds

for L.S.G. Secy

11/3/53

To

1) The Municipal Commissioners Dacca (through the post)

2) Com Controller, P.A.D. (through F.D.)

EAD.-

Letter No.H.C.70/52-53 dated 7th November 1952 from the Municipal Commissioner, Davangere City Municipality, forwarding for sanction proposals for the entertainment of an internal Auditor in grade Rs.60-5-90-8-130/EB.10-180 for internal check of accounts in the Municipal Office as approved by the Municipal Council in its resolution dated 29th October 1952 and to take on loan therefor an experienced auditor from the State Accounts Department paying him an additional allowance at 10% of his pay.

2 Un-official Note No.352/CSA dated 12/15th January 1953 from the Controller, State Accounts Department, on the subject.

ORDER NO.L. 176-77/C H 4-S 2-21
Dated, Bangalore, the 6/4/53

The proposal for the appointment of an internal Auditor in th Davangere City Municipal Office in grade Rs 60-5-90-8-130/EB.10-180 and to take on loan the services of an Auditor from the State Accounts Department paying him an additional deputation allowance at 10% of his pay is sanctioned.

2. In order that the services of the internal Auditor may be utilised to the maximum advantage, he should not be tagged on with the routine accounting and other administrative duties He will function directly under the orders of the Commissioner and will be independent of the Office Manager.

3. The following will be the duties of the internal Auditor.-

i) Scrutiny of monthly accounts received from all sections, their consolidation and transmission to the State Accounts Department,

ii) Scrutiny of D.C B. statement of all items of revenue at the end of each month,

iii) Audit of all items of receipts at the end of every month with reference to receipt books, kirdis, remittance registers, Demand Registers, and issuing objection statements to the Sectional Officers for replying to them or for effecting recoveries,

iv) Scrutiny of allbills and vouchers before payment He will record in writing his observations and submit them to

the Commissioner for orders. The Commissioner may overrule the objections raised by the internal Auditor, but in such cases he may be record them in a register to be maintained for the purpose which may be shown to the Inspecting Officer of the State Accounts Department during post audit of accounts,

v) Scrutiny of budget estimates before submission to Government

vi) Scrutiny of the replies furnished furnished to audit reports and inspection reports;

vii) Rendering advice in financial and accounts procedural matter if his opinion is called for.

3. The expenditure involved on this account will be met out of municipal funds.

(V.Hanumanthappa)
For Secretary to Government,
L.S.C. & Planning Departments.

To

The Municipal Commissioner, Davangere City Municipality
(thro' the President)
* Controller, State Accounts Department, thro' the Financial Departments

knr.7/19.3

Nodes 7

Comp — 9

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